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OUR STEEL INDUSTRY.

FORCIBLE REPLY TO MR. ATKINSON'S ASSERTIONS—INTERESTING
FACTS REGARDING THE STEEL TRADE—THE PROTECTIVE POLICY
VINDICATED.

[From the New York Tribune.]

EDWARD ATKINSON, ESQ.

Boston:

Mr. Gladstone, in his recent rebuke of Sir Charles Dilke in Parliament, said that those who assume to instruct the people should at least be accurate. I commend this sentiment to your special observance in your future lucubrations on Political Economy, with the additional suggestion that it would be well to be more exact in your premises, or you must continue to impair the force and correctness of your conclusions. From the frequency of your published opinions in the magazines, pamphlets, and other publications of the day, it is obvious that you are ambitious to establish for yourself some reputation as a teacher in Economic Science, and especially on your favorite hobby of Revenue Reform—a term of very doubtful and uncertain meaning, but which serves as a convenient substitute for that other impracticable, because impossible, theory familiarly known as Free-Trade. It is not my purpose to enter upon the discussion of your most recent contributions to the *Atlantic Monthly*, directed against the industries of your country in the interest of foreign labor. That duty has been so skilfully and effectually performed by Mr. D. H. Mason, in the *Chicago Bureau*, in his scathing review of your article entitled "Free-Trade—Revenue Reform," in the *Atlantic Monthly* for October, that it would be an act of superfluous cruelty to inflict a further dissection of its sophistries, after they had been subjected to the merciless scalpel of this able and accomplished writer.

What I now propose, Sir, is to point out another proceeding of yours, of such questionable propriety that I make no apology for arraigning you at the bar of public opinion to answer for an outrage upon a large and respectable body of your fellow-citizens, whose only offence, rank as it may be in your estimation, lies in the fact that within a dozen years they have achieved a great success in the manufacture of what you ignorantly call Raw Steel in the United States. My charge against you consists in this: That having been invited by the Executive Council of the National Board of Trade to act as a substitute for an absent member, in their interview with the Committee on Commerce of the House of Representatives in Washington, a few weeks ago, upon the subject of free ships in our foreign commerce, you availed yourself of that opportunity to ventilate your opinions before the Congress Committee by a gratuitous assault upon one of the most meritorious industries of your country in the following words, as reported by Gen. Negley, a member of the Committee:

"Other nations buy their goods of England; and we may as well do it too, and not enrich a set of monopolists and a few men who live at the expense of others. It were better for us to pension off every man now engaged in the facture of steel in this country than to impose the duties we now do on that article."

In your letter to the *Commercial*, you assert that what you did say, and what you do say, is, that it would be decidedly better and cheaper for the country to pension the little force of laborers engaged in the facture of steel, etc.

Now this is simply to transfer the insult from the manufacturers to the laborers—from the employers to the employees; and I think you should be obliged to Gen. Negley for his version of your remarks, as the least offensive and most likely to be correct, because his recollection is probably fortified by the report of the clerk of the Committee at the time, while yours is a subsequent effort of your memory. In either case it was a gross injustice to inject your opinions on the Steel trade into a subject with which it had no connection, thus rendering the honorable body, of whose deputation you were a member by courtesy, responsible for an atrocious sentiment not only devoid of truth but exposing a degree of ignorance which wholly unfitted you to speak intelligently on the subject. The National Board of Trade conferred no authority upon you, or upon its Executive Council, to give forth such an utterance in their behalf. On the contrary, they passed the following amended resolution on the Tariff, for which, had I been a member, as I was the year before, I should have cheerfully voted as you did :

"*Resolved*, That we earnestly recommend to Congress such a revision of our tariff on imports as may tend to promote economy in the expenditures of the Government, to check monopoly and encourage a healthy competition in trade and manufactures, to facilitate the mutually profitable exchange of products between us and other nations, to diminish the growing antagonism between capital and labor, and above all, to protect native industry, by cheapening the necessities and comforts of life to the mass of the people.

"First Amendment—That, in the revision of the tariff, the cost of production in this country is a proper subject for consideration.

"Second Amendment—That, in the opinion of this Board, in any revision of the Tariff, which Congress in its wisdom may devise, stability should be an essential consideration."

The resolution as amended was unanimously adopted, and I submit that your venomous attack upon the steel facture, as you call it, when representing the National Board of Trade before a Committee of Congress, was without any warrant from that body, and in opposition to the spirit of their declared opinions upon the Tariff question. In your zealous advocacy of British steel for consumption in this country, you stigmatize the American steel makers as monopolists. This argument is rather stale and entirely destitute of any foundation in fact, for the reason that there prevails continually among ourselves a lively competition in the business, which is alike open to yourself and the rest of mankind, and we are wholly unconscious of enjoying any exclusive privileges, except such as capital always must and will command. You sneer at the American steel trade as an infant manufacture. Well, it is only a little over twelve years since the oldest of our cast steel establishments was started. It is a vigorous child, however, for in that brief period we have succeeded in securing two-thirds of the American market, as I shall presently demonstrate. Like the infant Hercules, it has grappled successfully with the foreign serpent, which sought to enfold it in

its slimy coils, and to strangle it in its cradle, while disinterested patriots like yourself looked on approvingly at the unnatural strife. Thanks to the wisdom and fostering care of Congress, better counsels than yours have prevailed, and the result is that we are now liberated from foreign thralldom in this particular, and wholly independent of all the world for this most essential of all the materials for national defence. I use the figure of an eminent Southern statesman, slightly paraphrased, upon a kindred subject, in saying that the wily serpent of Free-Trade—*id est* Revenue Reform—which had crept into our Eden, has been touched by the spear of Ithuriel; it has received an immedicable wound; no hellebore can cure it.

From the imposts statements of Mr. Edward Young, the able Chief of the Bureau of Statistics, it appears that there were imported into the United States, for the fiscal year ended June 30, 1871, of all kinds of steel, except Bessemer and other steel rails, and a small quantity in forms not otherwise specified, weight not reported, just 41,998,077 pounds; or a little less than 21,000 tons. This steel was valued per foreign invoice, and entered for duty at our Custom-houses at \$2,902,320, and paid duty amounting to \$1,114,092, or about 38 $\frac{3}{8}$ per cent. ad valorem. The very notable fact also appears, from Mr. Young's statistics, that 26,323,141 pounds, or more than five-eighths of the whole importation, was passed through the American Custom-house at an average cost of 4 $\frac{3}{8}$ cents per pound. The average price of the entire importation of steel, and on which the duties were paid, was but 6 9-10 cents per pound—a price so low as to excite surprise, if not a well-grounded suspicion of undervaluations, for the purpose of evading the honest duties. Perhaps, however, it is only one of the phases of Revenue Reform, now undergoing some scrutiny in the New York Custom-house investigation.

For the calendar year, Mr. Henry McAllister, Jr., Secretary of the American Iron and Steel Association, reports that there were produced and sold of all kinds of steel, except Bessemer and steel-headed rails in the United States, 45,000 * tons of 2000 pounds; and of this the steel mills of Pittsburgh turned out 25,724 tons, or 22 $\frac{1}{2}$ per cent. more than the whole quantity imported into the country from all parts of the world. This steel was supplied to consumers and merchants, notwithstanding the duty of 38 $\frac{3}{8}$ per cent. on foreign steel, in consequence of a healthy home competition, at from two to three cents per pound, according to quality, lower price than was ever known in our markets, before the year 1859, when the duty was but 12 to 15 per cent. ad valorem, and when we depended altogether upon England for our supplies of cast steel; thus showing the fallacy of the argument that the price of a commodity is controlled and regulated by the duty, which in reality stimulates and encourages home competition, which in turn reacts against high prices and in favor of the consumer.

What miserable policy, and what fatuity in legislation, then, would Congress display, by disturbing the operations of a trade, so recently obtained, after many years of unrewarded effort, the final success of which has accomplished so much for the benefit of the country, in so short a time! Break up our steel mills, destroy the large investments of capital employed in their erection and operation, and remit ourselves to the tender

* Subsequent advices make this at least 2000 tons more.

mercies of British Free Traders for our supplies of steel, and our old enemy will have won a greater victory upon the floor of Congress than he was ever able to gain over us in two wars on the field of battle, or by means of his Alabamas and piratical cruisers during the rebellion upon the ocean. The "little force of laborers," of whom you speak as "engaged in the steel facture in the United States," cannot be less than 4000 men; without taking into account the host of laborers employed in all the antecedent processes to produce the iron from which the steel is made. At all events, it is double the number required to produce one-half the quantity abroad. Now, as the wages of English and German labor are less than one-half what the same labor obtains here, it follows that if your proposition to pension off those "engaged in the steel facture" was reversed, so as to apply to the foreign, instead of the American working-man, it would cost your government only about one-fourth the sum to accomplish so benevolent a purpose, and at the same time it would relieve you from the shocking inconsistency of advising the sacrifice of the greater for the less, which is very bad logic for so distinguished a political economist as yourself.

I confess I don't quite understand what you mean by "Raw Steel." To my mind, it is quite as easy to comprehend the meaning of raw cloth, raw leather, raw paper, or any of the other materials of which clothing, shoes or books are made. I know that the production of Steel is a combination of science and of art, and that good Steel is the result of "a principle in science and a rule in art." Your theory, Mr. Atkinson, will not, I apprehend, hold good in practice. It resembles, somewhat, that of a certain philosopher, who insisted that fleas and lobsters belonged to the same family of crustacea, but, upon submitting the fleas to the process of boiling, and finding that they would not turn red, he abandoned his pet theory in disgust, exclaiming, "fleas are not lobsters, d—n their souls." And so of your affected designation of steel as a "facture," and not a manufacture. I am very sure that if you had once witnessed the amount of manual labor or hand-work required to produce a ton of steel, ready to be made into tools, you would speedily arrive at a different conclusion, and concede that your Raw Steel was not a facture, but a very beautiful triumph of scientific and mechanical skill. At some future time, I may notice your bad logic and errors of statement in your article in the *Atlantic Monthly* for February, entitled, "The Visible and Invisible in Protection." This letter is already too long, and I must conclude by suggesting, as you are so warm an advocate of reform, that you commence at home by reforming your style of advocating and defending Revenue Reform. In short, my advice to you is the same as that of Hamlet to the players, "O, reform it altogether."

Truly yours,

JAMES M. COOPER.

Pittsburgh, Penna., April 6th, 1872.

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